

**MADISON PORT COMMISSION
Tallulah, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2010
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/27/11

MADISON PORT COMMISSION
Tallulah, Louisiana

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended December 31, 2010
With Supplemental Information Schedules**

CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	3
Required Supplemental Information (Part I)	
Management's Discussion and Analysis	6
Basic Financial Statements	
	<u>Statement</u> <u>Page No.</u>
Government-Wide Financial Statements:	
Statement of Net Assets	A 10
Statement of Activities	B 11
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	C 12
Reconciliation of the Governmental Funds Balance Sheet to The Financial Statement of Net Assets	13
Statement of Revenues, Expenditures, and Changes in Fund Balances	D 14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities	15
Notes to the Financial Statements	16

MADISON PORT COMMISSION
Tallulah, Louisiana
Contents, December 31, 2010

C O N T E N T S (CONTD.)

	<u>Schedule</u>	<u>Page No.</u>
Required Supplemental Information (Part II):		
Budget Comparison Schedule	1	26
Note to Budgetary Comparison Schedule		28
Schedule of Expenditures of Federal Awards	2	29
Reports Required by Government Auditing Standards (Part IV)		
Independent Auditor's Report Required by Government Auditing Standards (Part IV):		
Report on Compliance and Internal Control over Financial Reporting and on Compliance and Other Matters		32
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133		34
Schedule of Audit Findings	3	36
Summary Schedule of Prior Audit Findings	4	37

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

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Independent Auditor's Report

MADISON PORT COMMISSION

Tallulah, Louisiana

I have audited the accompanying financial statements of the governmental activities and major fund of the Madison Port Commission, a component unit of the Madison Parish Police Jury, as of December 31, 2010, and for the year then ended, which collectively comprise the Port Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Madison Port Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

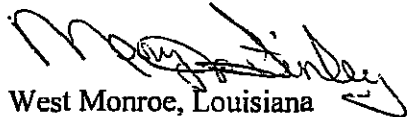
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Madison Port Commission as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 8 and the budgetary comparison information on pages 26 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

MADISON PORT COMMISSION
Tallulah, Louisiana
Independent Auditor's Report,
December 31, 2010

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Madison Port Commission's office basic financial statements as a whole. The supplemental information schedules listed in the table of contents, and the schedule of expenditures of federal awards on page 29, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for the purpose of additional analysis and are not a required part of the financial statements of the Madison Parish Port Commission. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 30, 2011, on the Madison Port Commission's compliance with laws and regulations, and my consideration of the agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



West Monroe, Louisiana

June 30, 2011

REQUIRED SUPPLEMENTARY INFORMATION
PART I

MADISON PORT COMMISSION
Tallulah, Louisiana

Management's Discussion and Analysis
December 31, 2010

As management of the Madison Port Commission, we offer readers of the Madison Port Commission's financial statements this narrative overview and analysis of the financial activities of the Madison Port Commission for the year ended December 31, 2010. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Port commission's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Madison Port Commission's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

The Madison Port Commission adopts an annual appropriated budget for the general fund. The port did not adopt a budget for the construction fund. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Madison Port Commission's performance.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Madison Port Commission exceeded liabilities by \$8,895,663. Approximately 81% of the Madison Port Commission's net assets reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the Madison Port Commission to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of net assets.

STATEMENT OF NET ASSETS

	2010	2009
ASSETS		
Cash and cash equivalents	\$1,436,405	\$1,155,586
Receivables	679,778	296,699
Capital assets (not depreciated)	5,381,417	3,972,177
Capital assets (net of accumulated depreciation)	<u>1,805,531</u>	<u>1,926,517</u>
TOTAL ASSETS	<u>\$9,303,131</u>	<u>\$7,350,979</u>
LIABILITIES		
Accounts payable	\$401,311	\$15,203
Payroll deducts payable	<u>6,157</u>	<u>2,799</u>
TOTAL LIABILITIES	<u>407,468</u>	<u>18,002</u>
NET ASSETS		
Invested in capital assets, net of related debt	7,186,948	5,898,694
Unrestricted	<u>1,708,715</u>	<u>1,434,283</u>
TOTAL NET ASSETS	<u>\$8,895,663</u>	<u>\$7,332,977</u>

STATEMENT OF ACTIVITIES

	2010	2009
Taxation:		
Personal services	\$166,831	\$162,743
Operating services	141,442	136,781
Materials and supplies	5,297	5,623
Travel and other charges		160
Intergovernmental	9,198	8,174
Depreciation expense	<u>120,986</u>	<u>131,814</u>
Total Program Expenses	<u>443,754</u>	<u>445,295</u>
Program revenues - Leases	<u>246,181</u>	<u>238,250</u>
Net Program Expenses	<u>(197,573)</u>	<u>(207,045)</u>
General revenues:		
Taxes - ad valorem	278,479	291,747
Intergovernmental:		
Federal revenue	665,340	4,809
State revenue sharing	12,714	10,661
Other state grants	<u>692,832</u>	<u>56,294</u>

Interest earned	\$11,968	\$11,448
Other use of money and property		100
Other revenue	10	671
Total General Revenues	<u>1,661,343</u>	<u>375,730</u>
Special item - proceeds from insurance	42,622	
Change in Net Assets	1,506,392	168,685
Net Assets - Beginning of year	<u>7,389,271</u>	<u>7,220,586</u>
Net Assets - End of year	<u>\$8,895,663</u>	<u>\$7,389,271</u>

Financial Analysis of the Government's Funds

As noted earlier, the Madison Port Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2010, the General Fund unreserved, undesignated fund balance of \$1,695,423 showed an increase of \$274,427 over December 31, 2009. As of December 31, 2010, the Construction Fund unreserved, undesignated fund balance of \$13,292 showed an increase of \$5 over December 31, 2009.

General Fund Budgetary Highlights

The major difference between expenditures in the original budget and the final budget were due to the increase in operating services. The major difference between revenues in the original budget and the final budget were due to a decrease in interest earned.

Capital Asset and Debt Administration

Capital assets. The Madison Port Commission's investment in capital assets for its governmental activities as of December 31, 2010, amounts to \$7,186,948 (net of accumulated depreciation). This investment includes land, buildings, improvements, furniture and equipment, and construction in progress. There were increases of \$1,352,946, which consisted solely of construction in progress. There were no decreases in capital assets for the year ended December 31, 2010.

Long-term debt. At the end of the fiscal year, Madison Port Commission had no debt outstanding.

Requests for Information

This financial report is designed to provide a general overview of the Madison Port Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Madison Port Commission, P.O. Box 591, Tallulah, LA 71282.

June 30, 2011

BASIC FINANCIAL STATEMENTS

Statement A**MADISON PORT COMMISSION
Tallulah, Louisiana****STATEMENT OF NET ASSETS
December 31, 2010****ASSETS**

Cash and cash equivalents	\$1,436,405
Receivables	679,778
Capital assets (not depreciated)	5,381,417
Capital assets (net of accumulated depreciation)	<u>1,805,531</u>
TOTAL ASSETS	<u>\$9,303,131</u>

LIABILITIES

Accounts payable	\$401,311
Payroll deducts payable	<u>6,157</u>
TOTAL LIABILITIES	<u>407,468</u>

NET ASSETS

Invested in capital assets, net of related debt	7,186,948
Unrestricted	<u>1,708,715</u>
TOTAL NET ASSETS	<u>\$8,895,663</u>

The accompanying notes are an integral part of this statement.

Statement B**MADISON PORT COMMISSION
Tallulah, Louisiana****STATEMENT OF ACTIVITIES
December 31, 2010**

Transportation:	
Personal services	\$166,831
Operating services	141,442
Materials and supplies	5,297
Intergovernmental	9,198
Depreciation expense	120,986
Total Program Expenses	<u>443,754</u>
Program revenues:	
Leases	<u>246,181</u>
Net Program Expenses	<u>(197,573)</u>
General revenues	
Taxes - ad valorem	278,479
Intergovernmental:	
Federal revenue	665,340
State revenue sharing	12,714
Other state grants	692,832
Interest earned	11,968
Other revenue	<u>10</u>
Total general revenues	<u>1,661,343</u>
Special item - Proceeds from insurance	<u>42,622</u>
Change in Net Assets	1,506,392
Net Assets - Beginning of year	<u>7,389,271</u>
Net Assets - End of year	<u><u>\$8,895,663</u></u>

The accompanying notes are an integral part of this statement.

Statement C

**MADISON PORT COMMISSION
Tallulah, Louisiana
GOVERNMENTAL FUNDS**

Balance Sheet, December 31, 2010

	MAJOR FUNDS		
	GENERAL FUND	CONSTRUCTION FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$1,423,106	\$13,299	\$1,436,405
Receivables	<u>302,303</u>	<u>377,475</u>	<u>679,778</u>
TOTAL ASSETS	<u><u>\$1,725,409</u></u>	<u><u>\$390,774</u></u>	<u><u>\$2,116,183</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$23,829	\$377,482	\$401,311
Payroll deducts payable	<u>6,157</u>		<u>6,157</u>
TOTAL LIABILITIES	<u>29,986</u>	<u>377,482</u>	<u>407,468</u>
Fund Equity - fund balances - unreserved - undesignated	<u>1,695,423</u>	<u>13,292</u>	<u>1,708,715</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$1,725,409</u></u>	<u><u>\$390,774</u></u>	<u><u>\$2,116,183</u></u>

The accompanying notes are an integral part of this statement.

MADISON PORT COMMISSION
Tallulah, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets

For the Year Ended December 31, 2010

Total Fund Balances - Governmental Funds (Statement C)		<u>\$1,708,715</u>
Cost of capital assets	\$11,141,147	
Less: Accumulated depreciation	<u>(3,954,199)</u>	<u>7,186,948</u>
Net Assets (Statement A)		<u>\$8,895,663</u>

The accompanying notes are an integral part of this statement.

MADISON PORT COMMISSION
Tallulah, Louisiana
GOVERNMENTAL FUNDS

**Statement of Revenues, Expenditures,
and Changes in Fund Balances**

For the Year Ended December 31, 2010

	MAJOR FUNDS		
	GENERAL FUND	CONSTRUCTION FUND	TOTAL
REVENUES			
Taxes - ad valorem	\$278,479		\$278,479
Intergovernmental revenues:			
Federal	5,352	\$659,988	665,340
State revenue sharing	12,714		12,714
Other state grants		692,832	692,832
Use of money and property:			
Leases	246,181		246,181
Interest earned	11,837	131	11,968
Other revenue	10		10
Total revenues	<u>554,573</u>	<u>1,352,951</u>	<u>1,907,524</u>
EXPENDITURES			
Transportation:			
Current:			
Personal services	166,831		166,831
Operating services	141,442		141,442
Materials and supplies	5,297		5,297
Capital outlay		1,352,946	1,352,946
Intergovernmental	9,198		9,198
Total expenditures	<u>322,768</u>	<u>1,352,946</u>	<u>1,675,714</u>
EXCESS OF REVENUES OVER EXPENDITURES	231,805	5	231,810
OTHER FINANCING SOURCE - Insurance proceeds	<u>42,622</u>		<u>42,622</u>
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	274,427	5	274,432
FUND BALANCES AT BEGINNING OF YEAR	<u>1,420,996</u>	<u>13,287</u>	<u>1,434,283</u>
FUND BALANCES AT END OF YEAR	<u><u>\$1,695,423</u></u>	<u><u>\$13,292</u></u>	<u><u>\$1,708,715</u></u>

The accompanying notes are an integral part of this statement.

MADISON PORT COMMISSION
Tallulah, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2010

Total net change in fund balances - governmental funds (Statement D)	\$274,432
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.

<u>1,231,960</u>

Change in net assets of governmental activities (Statement B)

<u>\$1,506,392</u>

The accompanying notes are an integral part of this statement.

MADISON PORT COMMISSION
Tallulah, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Madison Parish Port Commission was created by Act 369 of the 1966 Session of the Louisiana Legislature as the governing authority of the Madison Parish Port, Harbor, and Terminal District. The board of commissioners consist of seven members who serve four-year staggered terms; six appointed by the Madison Parish Police Jury, and one elected by the six appointed members. Commissioners serve without compensation.

The accompanying financial statements of the Madison Port Commission have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Madison Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or

MADISON PORT COMMISSION

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- 2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the port commission's governing body, the port commission was determined to be a component unit of the Madison Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds of the port commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. BASIC FINANCIAL STATEMENTS-
GOVERNMENT-WIDE STATEMENTS**

The port commission's basic financial statements include both government-wide (reporting the port commission as a whole) and fund financial statements (reporting the port commission's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the port commission are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the port commission.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets. The port commission first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized

MADISON PORT COMMISSION

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the port commission's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the port commission's general revenues.

Allocation of Indirect Expenses - The port commission reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the port commission are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the port commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing

MADISON PORT COMMISSION

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The port commission's current operations require only the use of governmental funds (General Fund). Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures, and interest earnings. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The port commission considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and

MADISON PORT COMMISSION

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, attach as an enforceable lien, and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Fees, fines, and forfeitures are recorded when the port commission is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, ad valorem taxes, state revenue sharing, and fees, fines, and forfeitures have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due.

E. CASH AND CASH EQUIVALENTS

Under state law, the port commission may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2010, the port commission has cash and cash equivalents (book balances) totaling \$1,436,405.

MADISON PORT COMMISSION
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

Demand deposits	\$837,506
Time deposits	<u>598,899</u>
Total	<u>\$1,436,405</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2010, are secured as follows:

Bank balances	<u>\$1,480,255</u>
Federal deposit insurance	\$500,000
Pledged securities (uncollateralized)	<u>1,697,595</u>
Total	<u>\$2,197,595</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the port commission, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the port commission that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the port commission's name.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the port commission, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

MADISON PORT COMMISSION
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

G. ANNUAL AND SICK LEAVE

Employees of the port commission earn ten days of vacation and five days of sick leave per year. Vacation leave must be taken in the year earned and cannot be carried forward. Upon retirement, employees are paid for accumulated sick leave.

At December 31, 2010, the maximum amount of accumulated and vested employee leave benefits is not material and is not reflected in the financial statements. The cost of leave privileges is recognized as a current year expenditure when leave is actually taken or when employees are paid for accrued leave upon separation.

H. RISK MANAGEMENT

The port commission is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the port commission maintains a commercial insurance policy covering property, general liability, employee fidelity, and workmen's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2010.

2. LEVIED TAXES

The ad valorem tax millage levied by the port commission was 2.81 mills for the year ended December 31, 2010. The authorized millage for the year ended December 31, 2010, was 3.0 mills. The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2010 assessed valuation (amounts expressed in thousands):

	<u>2010</u>	<u>Percent of Total</u>
Gulf South Pipeline Co. LP	\$19,197	16.91%
Southeast Supply Header	17,972	15.83%

MADISON PORT COMMISSION
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

	2010	Percent of Total
Gulf Crossing Pipeline	\$11,747	10.35%
Midcontinent Express Pipeline, LLC	9,751	8.59%
Entergy Louisiana, LLC	3,778	3.33%
American River Transportation	3,518	3.10%
Magnolia Marine Transport Company	1,719	1.51%
Columbia Gulf Transmissions	1,455	1.28%
Jimmy Sanders Incorporated	847	0.75%
Kansas City Southern Railway Co.	796	0.70%
Total	<u>\$70,780</u>	<u>62.35%</u>

3. RECEIVABLES

The General Fund receivables of \$679,778 at December 31, 2010, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Construction Fund</u>
Taxes - ad valorem	\$276,484	
Federal Revenue		\$181,810
State revenue sharing (net)	11,367	
State Grant		195,665
Leases	14,452	
Total	<u>\$302,303</u>	<u>\$377,475</u>

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2010, follows:

	<u>Balance at January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31,</u>
Land	\$3,921,437			\$3,921,437
Construction in progress	107,034	\$1,352,946		1,459,980
Buildings	4,113,521			4,113,521
Improvements	1,458,989			1,458,989
Heavy equipment	130,362			130,362
Office equipment	30,462			30,462
Vehicles	26,396			26,396
Total	<u>9,788,201</u>	<u>1,352,946</u>	<u>NONE</u>	<u>11,141,147</u>

MADISON PORT COMMISSION
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

	Balance at January 1,	Additions	Deletions	Balance at December 31,
Less accumulated depreciation	<u>(\$3,833,213)</u>	<u>(\$120,986)</u>	<u>NONE</u>	<u>(3,954,199)</u>
Net capital assets	<u>\$5,954,988</u>	<u>\$1,231,960</u>	<u>NONE</u>	<u>\$7,186,948</u>

5. PENSION PLAN

Substantially all employees of the port commission are members of the Louisiana State Employees Retirement System (LSERS), a multiple-employer, defined benefit pension plan. Generally, all full-time employees are eligible to participate in the system, with employee benefits vesting after 10 years of service.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the system. Employees who retire at or after age 55 with at least 25 years of credited service or with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of credited service, not to exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

The system issues an annual publicly available report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Louisiana State Employee's Retirement System, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 922-0600.

Plan members are required by state statute to contribute 7.50 per cent of their annual covered salary and the Madison Parish Port Commission is required to contribute at an actuarially determined rate. The current rate is 22 per cent of annual covered payroll. The contribution requirements of plan members and the Madison Parish Port Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Madison Parish Port Commission's contributions to the system for the years ending December 31, 2010, 2009, and 2008, were \$19,335, \$17,728, and \$17,018, respectively, equal to the required contributions for each year.

6. LITIGATION AND CLAIMS

The Madison Port Commission is not involved in any litigation at December 31, 2010, nor is it aware of any unasserted claims.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

MADISON PORT COMMISSION
Tallulah, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes - ad valorem	\$113,000	\$113,000	\$278,479	\$165,479
Intergovernmental revenues:				
Federal in lieu	3,000	3,000	5,252	2,252
State revenue sharing	11,000	11,000	12,714	1,714
Use of money and property:				
Leases	225,000	225,000	246,181	21,181
Interest earnings	14,000	11,761	11,837	76
Other revenues			10	10
Total revenues	<u>366,000</u>	<u>363,761</u>	<u>554,473</u>	<u>190,712</u>
EXPENDITURES				
Culture and recreation:				
Current				
Personal services and related benefits	166,500	167,442	166,831	611
Operating services	182,500	199,500	141,442	58,058
Materials and supplies	6,500	6,500	5,297	1,203
Travel and other charges	500	500		500
Capital outlay	10,000	10,000		10,000
Intergovernmental			9,198	(9,198)
Total expenditures	<u>366,000</u>	<u>383,942</u>	<u>322,768</u>	<u>61,174</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	NONE	(20,181)	231,705	251,886
OTHER FINANCING SOURCE -				
Insurance proceeds			42,622	42,622
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	NONE	(20,181)	274,327	254,146
FUND BALANCE AT BEGINNING OF YEAR	NONE	563,948	1,420,996	857,048
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>\$523,586</u>	<u>\$1,969,650</u>	<u>\$1,405,702</u>

See accompanying note to budgetary comparison schedule.

MADISON PORT COMMISSION
Tallulah, Louisiana

BUDGETARY COMPARISON SCHEDULE
CONSTRUCTION FUND
For the Year Ended December 31, 2010

	<u>BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal grants	\$659,988	\$659,988	
Other state grants	692,832	692,832	
Interest earnings		131	\$131
Total revenues	<u>1,352,820</u>	<u>1,352,951</u>	<u>131</u>
EXPENDITURES			
Transportation:			
Current			
Capital outlay	1,352,946	1,352,946	
Total expenditures	<u>1,352,946</u>	<u>1,352,946</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(126)	5	131
FUND BALANCE AT BEGINNING OF YEAR	<u>13,287</u>	<u>13,287</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>\$13,161</u>	<u>\$13,292</u>	<u>\$131</u>

See accompanying note to budgetary comparison schedule.

MADISON PORT COMMISSION
Tallulah, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2010

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Madison Port Commission during the month of December for comments from taxpayers. The budget is then legally adopted by the board and amended during the year, as necessary. The budget is established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and subsequent budget amendments.

Schedule 2**MADISON PORT COMMISSION
Tallulah, Louisiana****Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	PASS- THROUGH GRANT NUMBER	FEDERAL EXPENDITURES
United States Department of Commerce			
Investments for Public Works and Economic Development Facilities	11.300	08-79-03925	\$659,988
United States Department of Interior			
Direct program - Payment in Lieu of Taxes	15.000	N/A	<u>5,352</u>
Total Federal Financial Assistance			<u><u>\$665,340</u></u>

FOOTNOTES:

(1) The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Reports on Compliance with
Laws, Regulations, Contracts, and Grants,
and Internal Control**

The following independent Auditor's reports on compliance with laws, regulations, contracts, and grants and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; the U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *Single Audit Act Amendments of 1996*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

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**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

MADISON PORT COMMISSION

Tallulah, Louisiana

I have audited the basic financial statements of the Madison Port Commission, a component unit of the Bienville Parish Police Jury, as of and for the year ended December 31, 2010 and have issued my report thereon dated June 30, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Madison Port Commission's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Madison Port Commission's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Madison Port Commission's internal control over financial reporting.

A *deficiency in internal control* exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

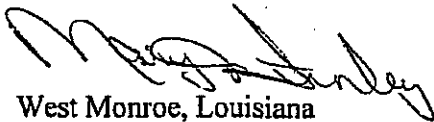
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

MADISON PORT COMMISSION
Tallulah, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2010

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison Port Commission's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Madison Port Commission, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513(G), this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
June 30, 2011

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**Report on Compliance With Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133**

Madison Port Commission
Tallulah, Louisiana

Compliance

I have audited the compliance of Madison Port Commission with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2010. Madison Port Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Madison Port Commission's management. My responsibility is to express an opinion on Madison Port Commission's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Madison Port Commission's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Madison Port Commission's compliance with those requirements.

In my opinion, Madison Port Commission complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal program identified in the accompanying schedule of findings and questioned costs for the year ended December 31, 2010. The results of my auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Madison Port Commission
Tallulah, Louisiana
Report on Compliance With Requirements
Applicable to Each Major Program and
Internal Control Over Compliance, etc.
December 31, 2010

Internal Control Over Compliance

The management of Madison Port Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Madison Port Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Madison Port Commission's internal control over compliance.

A deficiency in internal control over compliance exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, members of Madison Port Commission, federal awarding agencies and pass-through entities, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.



West Monroe, Louisiana
June 30, 2011

MADISON PORT COMMISSION
Tallulah, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the primary government financial statements of the Madison Port Commission.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.
3. No instances of noncompliance material to the financial statements of the Madison Port Commission is reported in the Auditor's Report on Compliance and Internal Control Over Financial Reporting.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Auditor's Report on Compliance With Requirements Applicable to Major Programs and Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for the Madison Port Commission expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Madison Port Commission are reported.
7. The Investments for Public Works and Economic Development Facilities, CFDA number 11.300, was tested as a major program.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Madison Port Commission was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**MADISON PORT COMMISSION
Tallulah, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2010**

There were no findings reported in the audit report for the year ended December 31, 2009.